

- p. 67: 12. Pharmaco, Inc., is a drug company that has come up with a new drug, Septaphine, to fight high blood pressure. They claim that their new drug is much better for reducing blood pressure compared to Cephaline, the drug that has been used until now to treat high blood pressure. They decide to test their claim.
- (a) State clearly the null and alternative hypotheses.
 - (b) Parmaco, Inc., found that Septaphine was significantly better than Cephaline using a 10% level of significance. What hypothesis was supported?
- p. 67: 15. Recall Example 1.6 on the two-sided rejection region (shown below). The first decision rule being consider was as follows: Decision Rule 1: Reject H_0 if your selected voucher is either $\leq \$1$ or $\geq \$10$. The rejection region contains those values as small or smaller than \$1 and as large or larger than \$10. Find the levels α and β corresponding to Decision Rule 1.

